

MAYOR STEVEN M. FULOP



2015

STATE OF THE CITY ADDRESS

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6:00pm

City Hall Council Chambers

280 Grove Street Jersey City, New Jersey

Good evening.

Thank you Father David of the Coptic community of Jersey City. Before we start, I just want to say that we stand with you and the Coptic community during this tragic time.

Let me also say a couple of other thank yous and greetings. To start, thank you to the other members of the clergy who are here tonight, the Council President and the Jersey City Council, fellow elected officials from the County and State, judges of the Municipal Court, fellow members of the administration, and most importantly the residents of this great city for being here tonight as I discuss the state of our city.

Every single year, since the City's incorporation in 1820, according to Jersey City law, the Mayor comes before the City Council to present to you the State of the City. Over the last year, we have been partners - we have had some great experiences and some challenging ones.

We have agreed and we have disagreed. We have talked through issues and differences, but together with a mostly shared agenda, we should be proud that we are driving the greatest growth and expansion ever seen in Jersey City's history. This economic surge is not happening by accident. It's a direct result of the policies we have worked together to establish.

It hasn't all been pleasant over the last year. Most notably, we lost the life of Detective Melvin Santiago. His mother, Cathy McBride, and other family members are here tonight. Thank you for joining us.

Now, I would like for all of us to take a moment-of-silence to reflect on Detective Santiago's life and sacrifice. Also, if you remember in the days that followed, we were exposed to some of the challenges that, sadly, exist in so many communities across this country. Nevertheless, I am proud that we came through it stronger, as a more united city.

Overall, the year was positive and I'm pleased to report the state of our city has rarely -- if ever -
- been stronger.

Just think, for the first time in decades, steel is actually coming out of the ground in Journal Square, the heart of our city. Together, we made decisions that ensured growth in this iconic neighborhood and now we are finally seeing progress.

Just think, we were the first in New Jersey and sixth in the entire country to implement Earned Sick Leave, setting the stage for several other cities in New Jersey to follow our lead.

Thankfully, because of you no parent in this city will ever have to choose between caring for a loved one and losing 20 percent of their weekly pay. Some said bringing Earned Sick Leave would slow our economic engine but we felt otherwise and the results are clear. Earned Sick Leave is making a positive difference in our residents' lives.

Now, not only is Jersey City a preferred place to work, but our unemployment rate continues to decline at a faster rate than New Jersey AND the nation.

Just think, in our first full budget year in office together we achieved unprecedented financial success. We cut taxes while also investing heavily in our parks as well as hiring dozens of new police officers and firefighters. Our actions are responsive AND responsible.

Moody's, one of the premier credit rating agencies in the world, also agrees, giving Jersey City a credit upgrade for the first time in years.

Let me assure you this budgetary achievement is not a one shot deal. Two weeks from now, I will present to you a budget for the next full year that also will be a framework for flat taxes and continued economic expansion. To be clear, 2015 will see no tax increase for residents.

Despite our success everything hasn't been flawless. I made mistakes that I learned from -- especially on snow removal and its aftermath -- recognizing your mistakes and improving on them is part of leadership and growing.

Looking forward, mark my words, we are far from done in what we believe we can achieve for Jersey City and for all our residents. Our goal is to set an example, to be a guiding light so to speak, for the entire State, of what is possible to accomplish when government functions properly. Many people say -- sometimes accurately -- that government isn't about success but about failure. Together, we are out to prove that government absolutely can be a positive force for the people it serves. In Jersey City, we are making this a reality every day for our constituents.

Trust me, I get there will always be people who throw stones, but let me share some indisputable facts from 2014: taxes decreased, our credit rating increased, shootings are down, healthcare coverage for residents is up, construction is up at a record level, job creation jumped and people are talking about what is happening in Jersey City across the entire state of New Jersey. That's what happens when government is moving fast, in the right direction.

You should know these aren't our statistics. They are provided by independent state and national sources. Even more so, there are other exciting things to highlight, from later this year, the start of construction of what will be the largest building in the state of New Jersey and also one of the largest in the country, to Jersey City being ahead of the curve, on police body cameras as well as building a diverse police force that reflects the residents of our city. It is fair to say that Jersey City is ahead of the national conversation.

Make no mistake, people are talking about Jersey City and want to learn more about what we are doing. For instance, in the last year and a half, the President of the United States has sent five cabinet officials to visit us here in Jersey City to highlight how the national agenda can work at

the local level. Few cities across the country can make that claim. We are making a difference here and the results prove it.

So, bluntly, tonight we can claim that the state of our city in 2014 was strong, and in 2015, I am proud to say that we intend to make Jersey City even stronger.

Standing here in this great City Hall, I have a core belief that despite what decisions are made -- or not made -- in Trenton or Washington, we do have the ability in many ways to move our local economy forward. With sound policy ideas, precise implementation and a strategic vision to encourage economic growth we are charting a course for progress and success. We can make sure that every community in our city benefits as the entire city moves forward, and despite stagnation elsewhere, we can truly embrace the Marine Corps philosophy -- nobody gets left behind -- ever.

A local economic agenda starts with a city that provides jobs, that provides housing, and provides opportunities for those who are willing to reach out and take it. That's what we are doing and will continue to do in Jersey City.

We intend to continue making Jersey City a model in 2015 for how a local economic agenda works. It is not only providing mixed housing, building opportunities for success, and maintaining stable taxes, but fundamentally, it is about jobs. It is about making sure that parents throughout the city have ample opportunities to provide for their families. We want to give them that chance and expect them to seize upon it.

Since taking office, we have made this a priority and the results are truly unrivaled. We have outpaced both the State and nation in our unemployment rate decline. In fact, since we assumed office we have seen over 9,000 new jobs created here across all sectors -- construction, healthcare, finance and retail.

Businesses of all kinds are now calling Jersey City home. In the last 18 months, 150 new small businesses -- including nearly 50 restaurants -- employing thousands of people, opened here. What's more, we have attracted significant corporations to Jersey City as well, ranging from Forbes, to Nautica, to JP Morgan.

We have achieved this through 3 very deliberate approaches to incentivize, expedite and market the city to those who are not already here. To dig down a little deeper.

First, we changed policies so developers are now building in often overlooked parts of the city, and as a result we are seeing the highest level of residential construction in recorded history.

Also, though with more rigorous compliance efforts, now more Jersey City residents than ever are being hired on these projects.

Second, because of adjustments we made in the building department, approvals are processed much more quickly than in the past. The results show what a difference it's making, especially benefiting our small business startups.

Finally, the \$1.2 million marketing campaign we launched last fall as a public/private partnership is attracting not only new businesses but is also boosting residential development and driving overall expansion in all wards.

So, we'd like to think that there are three deliberate steps that the city has taken to achieve the results we are seeing.

But that's not all. Through the Jersey City Employment and Training Program we've supported over 4,000 residents and matched many of them with apprenticeships and available jobs in many fields, and in 2015 we will introduce an ordinance that will require Jersey City contractors to

hire even more of our fellow residents. The momentum is building and we're going to continue to keep pushing for more job creation.

Our goal for 2015 is to once again lead the State of New Jersey in job creation.

This year though, there will be a slight shift in our focus as we will emphasize the resurgence of our main streets: Most notably, West Side Avenue, Martin Luther King Drive and Central Avenue. As a result of our recent \$2.25 million grant award from Bloomberg Philanthropies, we will be forming a new innovation team to focus on struggling local commercial districts.

We are one of only twelve U.S. cities to receive this award, and the list of recipients includes mostly larger cities such as Boston, Los Angeles and Seattle. We point this out because we couldn't be prouder about the company Jersey City is keeping.

Clearly, we know that having a good, stable job is the start of a better life and we are working to make a difference there. But we also know, that having safe and secure housing is the next vital step. Think of how far we've already come. In our first full year in office, Jersey City led the state in housing starts. We now have 6,000 units under construction and a further 18,000 approved. We have thousands of units expected to come online in the coming year, and by the end of next year we will be the largest city in New Jersey.

We greatly value the significant private investment being made every day in Jersey City and know more is on the way. Soon we will be home to 17 of the 20 tallest buildings in the state. In addition, three hotels are currently under construction with more coming, and now, we now have the largest tax base in the entire state. It's safe to say our success cannot be matched anywhere else in New Jersey, but let me clearly announce that we are not done.

In 2015, we are not only going to build bigger, but we are going to build even smarter. We have worked over the last few months with Columbia University and NYU to complete the first

Jersey City housing assessment and we are using that data to craft the first-ever affordable housing plan in Jersey City's history.

We have had great success creating jobs. Now, we need to take this to the next step for our residents, making sure there is affordable housing. Everyday we need to ask ourselves what did we learn in the city today? How can we leverage that knowledge to benefit another neighborhood? Ultimately, we want to bring texture and diversity to every single community in our city. We want diversity in age, race, religion, economics and a mix of corporate and residential development.

We all know in this room we have been able to incentivize investment in Journal Square for market rate housing. But, we should ask ourselves, what if we used the same incentives to create affordable housing in areas where we're not seeing it built? What if we approached the real estate community and work with them to put together a framework? So, in the next few months we will approve some of the largest affordable housing initiatives we've seen in decades. We will be building over 100 affordable units in the heart of downtown, with more in the coming months.

We are also going to work with the county executive who is here tonight on veterans' affordable housing.

As a Marine, it's important to me and should be to all Americans that we provide for our veterans who are facing challenging times. That's why in Jersey City we have taken steps to build two apartment buildings for veterans with the goal of being the first city in the country to eradicate veteran homelessness.

As I said at the start, 2015 is about the local economy and it begins with jobs, then housing for everyone and opportunities in every neighborhood. We will soon announce the next major

project in Journal Square at what's been a glaring blemish in the heart of the city, instead creating vibrancy that we can all agree is needed there.

Imagine what Journal Square will become in the next few years. Not much has changed there for decades and now it is poised to regain its stature as the heart of our city, attracting people from throughout the region to the neighborhood. Some of the tallest buildings in New Jersey will soon be there.

But that's not all. It's also about arts and culture. As an example, in 2014 about 10,000 people attended events at the Loew's. Soon we anticipate over 150,000 people every year attending a wide variety of events at a renovated Loew's run by a world-class organization. Imagine what that will mean to businesses in the Square and those who will want to open there. At the same time, make no mistake, the many events hosted by Friends of Loew's will benefit from a state of the art facility with significantly enhanced marketing opportunities. We've created a plan where the community benefits while we expand the economic possibilities in the area.

See, we aren't just focusing on building shiny new buildings. It's about arts, culture and also restoring challenged neighborhoods.

Jersey City is proud that we are taking aggressive action and now have the most significant abandoned property rehabilitation program in New Jersey. Those properties, once a breeding ground for criminal activity and an eyesore for our residents, will soon support businesses, families, and many other positive community activities. We have collected over \$700,000 in fines, registrations, and enforcement violations of these properties, we have begun to take aggressive steps and are already renovating many of the worst properties in our city.

So, as we create jobs and build more textured, diverse housing, we can't forget driving a strong local economy is to ensure stable taxes. All the good intentions in the world are meaningless if you can't operate government in a responsible, forward-looking way. Anything else is

debilitating to the process and discourages economic expansion. We are doing it differently in Jersey City. As said earlier, Moody's has noticed, many in the state have noticed and those who want to invest in our city have noticed too.

I think it is fair to say leadership starts at the top. We set the tone for tax policy and spending. For that reason, we have taken an approach to our budgets that has not been done in previous years. Governments at every level rarely -- if ever -- look beyond their current year on spending to predict taxes. While we can agree it's important that we invest to improve the lives of residents, a fair question is how are we able to plan on finding the funding over the long term? In Jersey City, it is possible because we are approaching a budget over the longer term with a belief knowing what we can and can't afford as a city.

Ask yourself, if you or your family knew that next year you must start paying for college, how would that change your spending this year. Government is no different though. We are taking a responsible business-like approach in Jersey City as we have modeled out our budget framework for three years into the future. Of course, there are always variables that may occur that are beyond our control but by looking at our structure in a multi-year time horizon, it gives us a better understanding of our cost exposures and more visibility to correct gradually.

This year, taxes will be stable while we are making the most substantive investment in open space the city has ever seen. We are spending to build or renovate parks in every ward, most notably, the completion of a \$35 million park in Bergen Lafayette. We believe every part of the City benefits from new, family friendly and better parks making us a better, more livable city.

Parks are not our only significant investment. A strong local economy can be driven by thoughtful policies but even more than that, we believe and understand that government has a unique ability to be a stimulus by directly investing resources in infrastructure. In 2015, we are doing this with two major projects that will serve as long needed catalysts for Bergen Lafayette and the West Side.

In Bergen-Lafayette, the much-discussed City Hall Annex will move forward this year. This is a game changer for a community that needs it. This investment will be the most significant capital investment in Bergen Lafayette in its history.

And, another great thing about it is that it will save the city in the long term.

While on the West Side, the second major infrastructure investment is the City retrofitting buildings in Marion Gardens to be the permanent, new home of the Jersey City Police Department.

We will be the first and only city in the state that will have its actual police headquarters in public housing. We expect a community that often views itself as forgotten to now be front and center in safety, and that will inevitably lead to new investment and more jobs.

But that's not all. We are going to make use of land that brings smart investment into our city. For example, in partnership with Liberty Science Center, we just announced plans for SciTech Scity, a science and technology campus that will include a biotech lab, a tech incubator facility, light manufacturing, and a new science themed school and hotel. This will be built on long-neglected land, which will now bring more opportunities to our residents.

I'd like to recognize Paul Hoffman, CEO of Liberty Science Center, for his vision and passion on behalf of not just the Science Center, but our entire city.

Working with the City Council, I'm happy to say we are making a positive difference in our city in ways that are unrivaled in Jersey City's history. That's what we can control on the local level as we look to boost our economy.

So, I could have stood here today, and rattled off 15 different policy initiatives in detail. I could have said we are building new schools or that we are designating new historic districts. I could have talked about how our crime statistics make us the safest city in NJ or how Jersey City will be the first in the nation to cut 911 response times below three minutes for health emergencies. I could have talked more about a multitude of exciting development projects or I could have cited new and different recreation programs or different policy initiatives one by one.

Instead, I wanted this State of the City to be very clearly about our local economy - how we view it, how we attract more investment and how we continue to lead.

In the final analysis, many of us in this room deeply believe in those democratic values that led our parents and grandparents to this great nation. Our ancestors may have believed that the streets of America were paved with gold. We know this was not true, but by virtue of their sweat equity, values and determination they built good lives. It is our responsibility, their children, to build upon their success by serving as stewards of our economy.

Whether the waiter of the VIP Diner on Sip who looks forward to increased customers by virtue of the expansion of Journal Square, or the pastor of Mount Pisgah who hopes for more job opportunities for his parishioners; together we must appreciate, know and value the importance of a strong economy as the foundation of all our efforts.

With all my passion, I want for a better city; this will only happen if we have a city that works, a city that is building, and a city whose people are working.

The state of the city today is very strong. I am thankful every day for the opportunity that you have given me to lead this city. I love this city, like you love this city, and I know that working together, 2015 will be another historic year for us. God Bless the road ahead and God Bless Jersey City.